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# Supplementary support budget for the 2002-2003 biennium

*Summary*

The Executive Director *recommends* that the Executive Board approve a supplementary support budget appropriation of $8 million to cover salary increases and additional requirements for security for the 2002-2003 biennium.

1. At its second regular session of 2001, the Executive Board approved a support budget appropriation of $566,169,000 at the gross level for the 2002-2003 biennium. With estimated income to the budget of $88,300,000, the net appropriation was estimated to be $477,869,000 (decision 2001/13, E/ICEF/2001/6). The budget for international Professional posts was costed out using the salary scale and post adjustment multiplier as at 1 September 2001, and an annual average inflation rate of 3 per cent.

2. Subsequently, in section II. A. of resolution 57/285 of 20 December 2002, the General Assembly approved, with effect from 1 January 2003, a revised base salary scale for staff in the Professional and higher categories. The scale reflects a differentiated real increase of the base/floor salary scale to address the low level of the margin at the upper grades of the salary scale. During 2003, post adjustments for many duty stations have also been increasing significantly. For example, the post adjustment multiplier was revised from 46.3 to 53.9 for New York and from 35.9 to 43.4 for Copenhagen effective 1 September 2003. In the field, some examples of major increases are: Brazil, from multiplier 1 to 17.4; Central African Republic, from 14.3 to 37.9; Chad, from 29.1 to 46.9; Gabon, from 8.2 to 30.7; India, from 5.0 to 11.7; Indonesia, from 9.9 to 18; Kenya, from 8.5 to 20.2; Mali, from 14.6 to 31; Nepal, from 0 to 16.1; Niger, from 5.6 to 23.1; Pakistan, from 2.5 to 15.5; and Thailand, from 7.4 to 15.4. The effect of the overall increase on international Professional posts in 2003 is estimated to be $6 million, about 5 per cent over the approved budget for this budget line.

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3. The approved budget includes the UNICEF share of the United Nations field security budget of $6.7 million. When this budget was developed in 2001 by the United Nations, it was costed at a 50 per cent occupancy rate of field security officer posts for the biennium. As the posts were filled almost immediately, there would be a deficit under the staff costs budget line, and the funds and programmes can anticipate an adjustment of 10 per cent to their share. With the revised salary scale in 2003, UNICEF anticipates a total adjustment of $1 million or 15 per cent of $6.7 million.

4. To meet the minimum operating security standards, an additional budget of $1 million is also proposed. At the gross level, therefore, a supplementary budget of $8 million is requested for approval. The increased other resources expenditure in 2002 has resulted in increased recovery income of $2.9 million. It is expected that a further increase in recovery income of $5.1 million will materialize in 2003 due to the revised recovery policy and increased other resources expenditure. This estimated increase of income to the budget totalling $8 million for 2002-2003 will offset the increase in the gross support budget, leaving the same net support budget as originally approved. The breakdown of the revised budget as compared to the original budget is provided below.

5. In the light of the above, the Executive Director *recommends* that the Executive Board approve a supplementary budget appropriation of $8 million at the gross level.

Table

**Approved and revised budget for the 2002-2003 biennium**

(In millions of United States dollars)

| | *Approved (1)* | *Internal transfer (2)* | *Supplementary budget (3)* | *Revised (4)=1+2+3* |
|---|---|---|---|---|
| International | 247.6 | -1.7[a] | 6.0 | 251.9 |
| Other post-related | 26.2 | 0.6 | | 26.8 |
| Training | 6.0 | | | 6.0 |
| Local posts | 106.9 | -4.8[a] | | 102.1 |
| Other staff costs | 15.0 | 3.7[a] | | 18.7 |
| Consultants | 13.7 | 0.8[a] | | 14.5 |
| Travel | 21.1 | | | 21.1 |
| Operating costs | 93.5 | | | 93.5 |
| Furniture/equipment | 19.3 | 0.9 | 1.0 | 21.2 |
| Reimbursement | 23.1 | 0.5 | 1.0 | 24.6 |
| Private Sector Division reimbursement | -6.4 | | | -6.4 |
| **Gross total** | **566.0** | **0.0** | **8.0** | **574.0** |
| Income to the budget | -88.4 | | -8.0 | -96.4 |
| **Net support budget** | **477.6** | **0.0** | **0.0** | **477.6** |

[a] Part of the savings in vacancies is transferred to temporary assistance and consultants to perform the work of the vacant posts.